## REMARKS

The comments of the applicant below are each preceded by related comments of the examiner (in small, bold type).

**DETAILED ACTION**

***Claim Rejections -35 USC §101***

**1. 35 U.S.C. §101 reads as follows:**

**Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.**

**the invention as disclosed in claims 1-86 is directed to non-statutory subject mailer.**

**2. Claims 1-86 are not claimed to be practiced on a computer, therefore, it is clear that the claims are not limited to practice in the technological arts. On that basis alone, they are clearly nonstatutory.**

**3. Regardless of whether *any* of the claims are in the technological arts, none of them is limited to practical applications in the technological arts. Examiner finds that *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d *1754* (Fed. Cir. 1994) controls the 35 USC §101 issues on that point for reasons made clear by the Federal Circuit in *AT&T Corn. v. Excel Communications, Inc.*, 50 USPQ2d 1447 (Fed. Cit. 1999). Specifically, the Federal Circuit held that the act *of:***

> **...[T]aking several abstract ideas and manipulating them together adds nothing to the basic equation. *AT&Tv. Excel at* 1453 quoting *In re Warmerdam*, 33 F.3d 1354, 1360 (Fed. Cir. 1994).**

**Examiner finds that Applicant's "knowledge block" references are just such abstract ideas.**

Without conceding the examiner's position, the applicant has amended the claims to indicate that the claimed invention is implemented in a computer, and to clarify that the information being processed by the computer implemented system is human resources information. The processing of human resources information is a practical application in the technological arts. The human resources information represented by the claimed data, combined by the compiler in response to queries from a system user, and displayed to the system user "to

facilitate comparative analysis" is concrete information relied on by the system user to make human resources decisions.

**4. Examiner bases his position upon guidance provided by the Federal Circuit in *In re Warmerdam,* as interpreted by *AT&T v. Excel.* This set of precedents is within the same line of cases as the *Alappat-State Street Bank* decisions and is in complete agreement with those decisions. *Warmerdam* is consistent with *State Streets* holding that:**

> **Today we hold that *the transformation of data, representing discrete dollar amounts, by a machine through a* series *of mathematical calculations into a final share price,* constitutes a practical application of a mathematical algorithm, formula, or calculation because it produces 'a useful, concrete and tangible result' -- *a final share price momentarily fixed for recording purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.* (emphasis added) *State Street Bank* at 1601.**

**5. True enough, that case later eliminated the "business method exception" in order to show that business methods were not per se nonstatutory, but the court clearly *did not* go so far as to make business methods *per se statutory.* A plain reading of the excerpt above shows that the Court was *very specific* in its definition of the new *practical application.* It would have been much easier for the court to say that "business methods were per se statutory" than it was to define the practical application in the case as ". . the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price..."**

**6. Additionally, the court was also careful to specify that the "useful, concrete and tangible result" it found was "a final share price momentarily fixed for recording purposes and even accepted and relied upon by regulatory authorities and in subsequent trades." (i.e. the trading activity is the further practical use of the real world monetary data beyond the transformation in the computer— i.e., "post-processing activity".)**

**8. Applicant cites no such specific results to define a useful, concrete and tangible result. Neither does Applicant specify the associated practical application with the kind of specificity the Federal Circuit used.**

**9. Furthermore, in the case *In re Warmerdam,* the Federal Circuit held that:**

> **...[T]he dispositive issue for assessing compliance with Section 101 in this case is whether the claim is for a process that goes beyond simply manipulating 'abstract ideas' or 'natural phenomena' ... As the Supreme court has made clear, '[am idea of itself is not patentable, ... *taking several abstract ideas and maninulating them together adds nothing to the basic equation.* In re Warmerdam 31 USPQ2d at 1759 (emphasis added).**

10. Since the Federal Circuit held in *Warmerdam* that this is the "dispositive issue" when it judged the usefulness, concreteness, and tangibility of the claim limitations in that case, Examiner in the present case views this holding as the dispositive issue for determining whether a claim is *"useful,* concrete, and tangible" in similar cases. Accordingly, the Examiner finds that Applicant manipulated a set of abstract "knowledge block" to solve purely algorithmic problems in the abstract (i.e., what *kind* of "knowledge" is used in the block? Algebraic word problems? Boolean logic problems? Fuzzy logic algorithms? Probabilistic word problems? Philosophical ideas? Even vague expressions, about which even reasonable persons could differ as to their meaning? Combinations thereof?) Clearly, a claim for manipulation of "natural language input" is provably even more abstract (and thereby less limited in practical application) than pure "mathematical algorithms" which the Supreme Court has held are per se nonstatutory — in fact, it includes the expression of nonstatutory mathematical algorithms.

11. Since the claims are not limited to exclude such abstractions the broadest reasonable interpretation of the claim limitations includes such abstractions. Therefore, the claims are impermissibly abstract under 35 U.S.C. 101 doctrine.

12. Since *Warmerdam* is within the *Alappat-State Street Bank* line of cases, it takes the same view of "useful, concrete, and tangible" the Federal Circuit applied in *State Street Rank* Therefore, under *State Street Bank,* this could not be a "useful, concrete and tangible result". There is only manipulation of abstract ideas.

13. The Federal Circuit validated the use of *Warmerdam* in its more recent *AT&T Corp. v. Excel Communications, Inc.* decision. The Court reminded us that:

> Finally, the decision in In re Warmerdam, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994) is not to the contrary. The court found that the claimed process did nothing more than manipulate basic mathematical constructs and concluded that 'taking several abstract ideas and manipulating them together adds nothing to the basic equation'; hence, the court held that the claims were properly rejected under §101 Whether one agrees with the court's conclusion on the facts, the holding of the case is a straightforward application of the basic principle that mere laws of nature, natural phenomena, and abstract ideas are not within the cateoories of inventions or discoveries that may be patented under ~1 01. (emphasis added) AT&T Corp. v. Excel Communications, Inc., 50 USPO2d 1447,1453 (Fed. Cir. 1999).

14. Remember that in *In re Warmerdam,* the Court said that this was the dispositive issue to be considered. In the AT&Tdecision cited above, the Court reaffirms that this is the issue for assessing the "useful, concrete, and tangible" nature of a set of claims under 101 doctrine. Accordingly, Examiner views the *Warmerdam* holding as the dispositive issue in this analogous case.

15. The fact that the invention is merely the manipulation of *abstract ideas* is clear. The data referred to by Applicant's phrase "knowledge block" is simply an abstract

**construct that does not limit the claims to the transformation of real world data (such as monetary data or heart rhythm data) by some disclosed process. Consequently, the necessary conclusion under *AT&T, State Street* and *Warmerdam,* is straightforward and clear. The claims take several abstract ideas (i.e.," knowledge blocks" in the abstract) and manipulate them together adding nothing to the basic equation. Claims 1-86 are, thereby, rejected under 35 U.S.C. '101.**

The "knowledge block" referred to in the amended claims is not an abstract construct. It is a specific, real-world data structure which represents information in a specific manner. The claims recite transformation of the human resources information encoded in this real world data structure. Whether the information so encoded is in fact abstract is immaterial. The claims recite manipulating the "knowledge block" data structures so that the encoded information may be presented in a manner in which it could not have been otherwise presented. This presentation of information (encoded in the data structure), whatever that information may be, in a new manner is a "useful, concrete, and tangible" result necessary for patentability.

***Claim Rejections -35 USC § 112***

**The following is a quotation of the first paragraph of 35 U.S.C. 112:**

**The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, *clear,* concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.**

**Claims 1-86 are rejected under 35 USC 112, first paragraph because current case law (and accordingly, the MPEP) require such a rejection if a 101 rejection is given because when Applicant has not in fact disclosed the practical application for the invention, as a matter of law there is no way Applicant could have disclosed *how* to practice the *undisclosed* practical application. This is how the MPEP puts it:**

**("The how to use prong of section 112 incorporates as a matter of law the requirement of 35 U.S.C. 101 that the specification disclose as a matter of fact a practical utility for the invention.... <u>If the application fails as a matter of fact to satisfy 35 u.s.c. ~ 101,then the application also fails as a matter of law to enable one of ordinary skill in the art to use the invention under 35 U.S.C. ~ 112.")</u>; In re Kirk, 376 F.2d 936, 942,153 USPQ 48,53 (CCPA 1967) ("Necessarily, compliance with § 112 requires a description of how to use presently useful inventions, otherwise an applicant would anQmalQusly be required to teach how to use a useless invention.").See, MPEP 2107.01 (I V), quoting In re Kirk (emphasis added).**

**Therefore, claims 1-86 are rejected on this basis.**

This rejection is addressed by the comments above.

All of the dependent claims are patentable for at least the reasons for which the claims on which they depend are patentable.

Canceled claims, if any, have been canceled without prejudice or disclaimer.

Any circumstance in which the applicant has (a) addressed certain comments of the examiner does not mean that the applicant concedes other comments of the examiner, (b) made arguments for the patentability of some claims does not mean that there are not other good reasons for patentability of those claims and other claims, or (c) amended a claim does not mean that the applicant concedes any of the examiner's positions with respect to that claim or other claims.

Please apply any other charges or credits to deposit account 06-1050.

Respectfully submitted,

Date: 12/23/4

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